

MINUTES
STATE BUILDING COMMISSION MEETING
EXECUTIVE SUB-COMMITTEE
DECEMBER 20, 2004

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Dale Sims, State Treasurer
Riley Darnell, Secretary of State

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Karen Hale, Comptroller's Office
David Edmunds, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
King Moon, Johnson Controls, Inc.
Annette Crutchfield, Legislative Budget Analysis
Janie Porter, Attorney General's Office
George Brummett, Department of Finance and Administration
Mark Wood, Secretary of State's Office
Alvin Payne, University of Tennessee
Tom Giese, Department of Correction
Dennis Raffield, THEC
Jan Sylvis, Department of Finance and Administration
Carl Cobble, Department of Transportation
Alan Durham, Department of Transportation
Jeff Hoge, Department of Transportation
John Gregory, Tennessee Wildlife Resources Agency

Richard Robinson, NRA
Robbi Stivers, University of Tennessee
Ken Scalf, Department of Finance and Administration
Pat Haas, Bond Finance
Rod Wolfe, TN State Veterans Homes

Commissioner Goetz called the meeting to order at 10:40 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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TENNESSEE BOARD OF REGENTS

STATEWIDE

- 1) Approved Delivery Orders #3 and #4 and acknowledgment of the sources of funding for Performance Contracting at Tennessee Technological University in Cookeville, and at Walters State Community College in Morristown, Tennessee.

Estimated Project Cost:	\$60,000,000.00
Estimated new Delivery Orders cost:	\$ 5,875,000.00
SBC Project No.	166/000-01-02

UNIVERSITY OF TENNESSEE

UNIVERSITY OF TENNESSEE AT KNOXVILLE, TENNESSEE

- 1) Mr. Fitts presented a discussion of the demolition of residential structures located on Terrace Avenue relative to projects for **Fraternity Houses Renovations & Additions** and **Sorority Housing** at the University of Tennessee at Knoxville, Tennessee. He stated that the Tennessee Historical Commission was not comfortable with issuing their approval of the demolitions, and that the University was proposing some mitigation efforts for acceptance by the THC. He added that he had talked with them recently and he thought the University's latest request for THC to consider their proposal to do a full documentation of black and white photos, keeping copies with the University of Tennessee and the using fraternities and sororities, might be acceptable as a compromise. Comptroller Morgan asked if they were asking the Subcommittee to proceed without THC approval. Mr. Fitts responded that the Subcommittee is required to hear THC's position on the demolition request, but are not bound by THC's recommendations.

Alvin Payne was recognized. He said that they had brought this project to the SBC in September and it was approved. He said he thought they were getting close to an acceptable solution. He said this area is part of the master plan for fraternity and sorority row. He added that they are committed to continue working with the THC. Commissioner Goetz asked if, short of returning the houses, was there anything acceptable to the THC. After discussion, the Subcommittee delegated the approval authority to the Commissioner of Finance & Administration.

SBC Project No. 540/009-37-2004
540/009-38-2004

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hamilton County – 2.3 +/- Acres with Improvement – 701 Martin Luther King Boulevard, University of Tennessee at Chattanooga, TN – Trans. No. 04-11-014 (GM)</u>
Purpose:	Acquisition in Fee of the UT SimCenter Research facility.
Source of Funding:	TSSBA
Estimated Cost:	Fair Market Value
Owner(s):	Campus Development Foundation, Inc.
SSC Report:	<p>12-13-04. Jurgen Bailey summarized the transaction. Alvin Payne advised that the program is a research center that works with the United States government's Departments of Defense and Homeland Security and industry through integrated research and education in computational engineering. He presented a Net Present Value Analysis of lease payments and debt service payments. He stated a previously approved 10-year lease agreement provided for the first year rent-free and either party has not executed the agreement. He said the Foundation and the University could not agree on issues but that the facility is occupied by the Center at the present time. He stated the lease agreement provided that at the end of the 10-year period the University would own the facility at no cost but that the analysis indicates it is in the best interest of the University to acquire the property at this time.</p> <p>Discussion ensued and centered on the Present Value Analysis. After further review and discussion, Staff referred to Sub-committee for discussion.</p>
SC Action:	<p>12-20-04. Charles Garrett summarized the transaction. Alvin Payne stated the facility would be appraised before acceptance of the property but would pay no more than \$2.2 million. He stated the \$2.2 million is the cost of renovations. Discussion ensued and centered on the history of the previously approved lease agreements and Sub-committee approved the transaction at fair market value but not to exceed the cost of improvements at \$2.2 million. Final action.</p>

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Weakley County – 0.05 +/- Acres – University of Tennessee at Martin – Trans. No. 04-11-017 (LW)</u>
Purpose:	Disposal by Lease and issuance of a Request for Proposals to provide for removal of the existing tower and construction of a new tower for campus use and the successful proposer
Term:	Long term lease as proposed by the successful proposer
Consideration:	Successful Proposal
Lessee:	Successful Proposer
SSC Report:	<p>12-13-04. Jurgen Bailey summarized the transaction. Alvin Payne advised that the existing tower has structural and TOSHA problems and the University requests approval to request proposals to replace the tower. He stated the land would be leased to the successful proposer who would construct a new tower, relocate current services, and remove the existing tower. He stated the tower currently serves the University and the Weakley County municipal government. He said it would cost the University approximately \$150,000.00 to make improvements.</p> <p>Discussion centered on what authority the University had to enter into a project without State Building Commission approval. After further review and discussion, Staff referred to Sub-committee with recommendation for the land lease for this purpose and that a project is brought back for approval of the Commission.</p>
SC Action:	<p>12-20-04. Charles Garrett summarized the transaction. Alvin Payne advised that the existing tower is approximately 35 years old and has structural and TOSHA concerns. He stated the University is requesting approval of the land lease. He stated a State Building Commission project would be presented in January 2005 for approval of a Request for Proposals for development of a replacement tower on the land. Discussion ensued and Sub-committee approved the request for lease of the land with the understanding that a project will be submitted to the State Building Commission and subsequently to the Sub-committee for approval of a Request for Proposals.</p>

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL AND RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Weakley County – 4.12 +/- Acres (20' by 1.7 Miles) – University of Tennessee at Martin – Trans. No. 04-11-013 (GM)</u>
Purpose:	Disposal by Permanent Easement for greenway to the local government.
Estimated Sale Price:	Grant – Mutual Benefit
Grantee:	City of Martin, TN
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Alvin Payne advised that the proposed greenway is next to a creek and would not hinder the University's use and would also benefit students and staff. Staff referred to Sub-committee with recommendation.
SC Action:	12-20-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF CORRECTION

MORGAN COUNTY CORRECTIONAL COMPLEX, WARTBURG, TENNESSEE

- 1) Approved a grant to the City of Wartburg for construction of wastewater plant improvements needed to accept increased flow from the Morgan County Correctional Complex.

Estimated Project Cost: \$131,400,000.00

Grant Amount:	\$ 1,900,000.00
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SBC Project No. 142/028-01-2003

STATEWIDE

- 1) Approved Delivery Order #4 and acknowledgment of the source of funding for **Energy Savings Performance Contracting** at Northeast and Northwest Correctional Facilities, with design and construction provided by Johnson Controls, Inc.

Estimated Delivery Order #4 Cost:

SBC Project No. 140/001-03-2004

\$ 1,495,000.00

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112 and MODIFICATION of the BUY-BACK AGREEMENT:

Description:	<u>Anderson, Scott, Campbell Counties – 20.0 +/- Acres – Sundquist Wildlife Management Area – Trans. No. 04-10-007 (CH)</u>
Purpose:	Disposal by Easement for gas wells and gas transportation line. The easement will revert when extraction is complete, the site closed, and approved by the TN Department of Environment and Conservation.
Estimated Sale Price:	Mineral Interest Retained
Grantee:	Knox Energy
Comment:	The mineral rights at the Wildlife Management Area (WMA) are not owned by the State. The agency requests a system of granting easements rather than the purchase of scattered sites in fee by mineral rights owners be established.
SSC Report:	11-15-04. Jurgen Bailey summarized the transaction. He stated the mineral rights were owned by third parties and were not included in the conveyance to the State at the time of acquisition. He stated that the buy-back provision for mining operations provided for fee disposal and reacquisition of mineral rights. John Gregory requests that easements be the instrument of conveyance. Staff referred to Sub-committee for discussion.
SC Action:	11-29-04. Charles Garrett summarized the transaction. He advised that mineral rights were owned by third parties and were not included in the conveyance to the State at the time of acquisition. He stated that the buy-back provision for mining operations provided for fee disposal and reacquisition of mineral rights. He advised that staff and the agency recommend that future mining operation requests be conveyed by easement rather than a fee disposal. John Gregory, agency representative, stated that access to the mineral sites was provided in the original agreement. Commissioner Goetz asked John Gregory to inquire as to the record of Knox Energy to determine if there are any outstanding violations and report back to the Committee. Sub-committee deferred action pending the agency's report.
SSC Report:	12-13-04. Jurgen Bailey presented a written compliance report as requested.
SC Action:	12-20-04. Charles Garrett summarized the transaction. He advised that the proposed Grantee, Knox Energy, is in good standing and the State Department of Environment and Conservation shows an excellent record for Knox Energy. Sub-committee received the report and approved the transaction as requested. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Hardin County – 47.0 +/- Acres – Adamsville, TN – Trans. No. 04-11-006 (CH)</u>
Purpose:	Disposal by Lease for the establishment of a shooting range in rural Hardin County for public and scholastic shooting sports. All costs involved with construction, operation, insurance, and maintenance will be the responsibility of the Lessee.
Term:	Fifteen (15) Years – No Cost
Consideration:	Grant – Public Benefit
Lessee:	Tri-County Gun Club, a non-Profit Corporation
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. John Gregory, agency representative, stated the TWRA Education Program is developing the curriculum for high school and scholastic shooting teams and that there will be no fees charged to the scholastic teams. He also advised the range will be open to the public for a fee and these proceeds will be put back into the facility for operation purposes. Staff referred to Sub-committee for discussion.
SC Action:	12-20-04. Charles Garrett summarized the transaction. John Gregory, agency representative, stated the agency is supportive of the transaction. He advised TWRA is providing start-up supplies and curriculum for middle and high school shooting teams. He introduced Mr. Richard Robinson from the National Rifle Association. Mr. Robinson advised that the facility will be developed by the Club itself and that any revenues received will go right back into the facility for maintenance, insurance, and other costs. He stated the communities are willing to donate excavation equipment, lumber, and other materials for the facility, and TWRA will provide hunter education. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – 0.156 +/- Acres (7 Tracts) – Old State Route 58, Chattanooga, TN – Trans. No. 04-11-012 (GM)</u>
Purpose:	Disposal in Fee to release deed restrictions on seven tracts along Old State Route 58 acquired for construction of a new State Route 58 and surplus to agency need. Old State Route 58 has been quitclaimed to the City for public use.
Estimated Sale Price:	\$19,000.00 – Fair Market Value
Grantee:	City of Chattanooga
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.
SC Action:	12-20-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Hamilton County – 64.0 +/- Acres – Enterprise South Industrial Park, Chattanooga, TN – Trans. No. 04-11-015 (LW)</u>
Purpose:	Acquisition in Fee for construction of a new Department Region II Headquarters facility that will serve twenty-four counties.
Source of Funding:	Gift
Estimated Cost:	Gift
Owner(s):	Hamilton County and City of Chattanooga
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Carl Cobble, agency representative, advised that a project for a new headquarters has not yet been submitted to the State Building Commission nor has the project been through the budget process. He stated the agency needed to secure the land for an upcoming building project. Staff referred to Sub-committee for discussion.
SC Action:	12-20-04. Charles Garrett summarized the transaction. Sub-committee approved the transaction as requested. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and one (1) APPRAISAL as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Hardeman County – 0.411 +/- Acres – 7460 Highway 57, Saulsbury, TN – Trans. No. 04-11-005 (BM)</u>
Purpose:	Disposal by Lease for a satellite recycling center. Lessee to be responsible for clean up of the area of any hazardous materials as a result of the County's use.
Term:	Five (5) years with Ninety (90) Day Cancellation
Consideration:	Fair Market Value
Lessee:	Hardeman County
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATEWIDE

- 1) Subcommittee approved recommending to the full Commission the selection of ServPro Industries, Inc. as a result of the RFP process on a project for **Statewide Disaster Recovery Contractor**.

SBC Project No. 529/000-08-2004

DESIGNER SELECTION

- 1) **University of Tennessee Health Science Center, Memphis**
(Regional Biocontainment Laboratory)
Estimated Project Cost: \$21,948,000.00
SBC Project No. 540/013-09-2004
Designer: **THE HORRELL GROUP**

STATE BUILDING COMMISSION

STATE BUILDING COMMISSION MINUTES

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee held on November 29, 2004.

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Following approval of the Consent Agenda, the meeting adjourned at 11:22 a.m.

CONSENT AGENDA

Approved the following Real Property Transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **University of Tennessee – Weakley County**
Transaction: Lease Agreement
Provision: Waiver of Advertisement
- B. Agency: **University of Tennessee – Knox County**
Transaction: Lease Amendment
- C. Agency: **Tennessee Board of Regents – Dyer County**
Transaction: Lease Agreement
- D. Agency: **Tennessee Board of Regents – Davidson County**
Transaction: Lease Amendment
- E. Agency: **Department of Safety – Blount County**
Transaction: Lease Agreement
- F. Agency: **Labor & Workforce Development – Davidson County**
Transaction: Lease Agreement
- G. Agency: **Department of Children’s Services – Obion County**
Transaction: Lease Agreement
- H. Agency: **Department of Children’s Services – Hamilton County**
Transaction: Lease Agreement
- I. Agency: **Department of Children’s Services – Putnam County**
Transaction: Lease Agreement
- J. Agency: **Department of Human Services – Coffee County**
Transaction: Lease Agreement
- K. Agency: **Department of Finance & Administration – Hardeman County**
Transaction: Lease Agreement – Human Services and Children’s Services
- L. Agency: **Department of Military – Henry County**
Transaction: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- M. Agency: **Department of Veterans Affairs – Knox County**
Transaction: Acquisition in Fee
Provision: Waiver of Appraisal

- N. Agency: **Department of Agriculture – Marion County**
 Transaction: Acquisition of Right-of-Way Easement
 Provision: Waiver of Appraisal
- O. Agency: **TN Wildlife Resources Agency – Maury County**
 Transaction: Disposal by Easement with Right-of-Entry
 Provision: Waiver of Advertisement and Appraisals
- P. Agency: **TN Wildlife Resources Agency – Greene County**
 Transaction: Acquisition in Fee
- Q. Agency: **Department of Transportation – Hamilton County**
 Transaction: Disposal in Fee
 Provision: Waiver of Advertisement
- R. Agency: **Finance & Administration – Davidson County**
 Transaction: Revise Previous Approval from Disposal by Easement to Lease
 Provision: Waiver of Advertisement and Appraisals

A.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114(b)(4) and 12-2-115:

Location: **Weakley County – 546 & 548 Littrell Road (45 +/- Acres), Martin, TN**

Purpose: To provide land and related facilities for the University of Tennessee at Martin Rodeo and Equine Science program.

Term: January 1, 2005 thru December 31, 2009 (5 yrs.)

Proposed Amount: 45 +/- Acres with Improvements
Annual Contract Rent: \$24,000.00 @\$533.33/ac
Total Annual Effective Cost: \$24,000.00 @\$533.33/ac

Current Amount: **NONE**

Type: New Lease - Negotiated

Lessor: Wooten Family Partnership

Comment: The proposed lease was negotiated by the University and consists of 45 acres, house, horse facility and indoor arena, and related facilities. Additionally the property serves as a laboratory for students enrolled in the Equine Science courses. Due to the properties unique improvements, convenient location to students and faculty, the University requests approval of the lease with waiver of advertisement pursuant to TCA 12-2-114(b)(4).

SSC Report: 12-13-04. Charles Garrett summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

B.

UNIVERSITY OF TENNESSEE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: **Knox County – 1521 White Avenue, Knoxville, TN**

Purpose: To amend the current lease with one (1) additional housing unit for out-of-town actors and artists for the Clarence Brown Theatre and Department of Theatre.

Term: January 1, 2005 thru August 5, 2007 (2 yrs., 8 mos.)

Proposed Amount: 5,528 Square Feet (4 Units)

Annual Contract Rent:	\$67,200.00	@\$12.16/sf
Est. Annual Utility Cost:	<u>\$ 7,739.20</u>	<u>@\$ 1.40/sf</u>
Total Annual Effective Cost:	\$74,939.20	@\$13.56/sf

Current Amount: 4,146 Square Feet (3 Units)

Annual Contract Rent:	\$50,400.00	@\$12.16/sf
Est. Annual Utility Cost:	<u>\$ 5,804.40</u>	<u>@\$ 1.40/sf</u>
Total Annual Effective Cost:	\$56,204.40	@\$13.56/sf

Type: Amendment No. 1 – 1,382 Square Feet (1 Housing Unit)

Lessor: Volunteer Student Housing, LLC (a subsidiary of the University of Tennessee Foundation)

SSC Report: 12-13-04. Charles Garrett summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Dyer County – 313 West Cedar Street, Dyersburg, TN**

Purpose: To provide administrative office and related space and conference/training space for the Dyersburg State University College Northwest Tennessee Workforce Board (NTWB).

Term: March 1, 2005 thru February 28, 2010 (5 yrs.)

Proposed Amount: 6,682 Square Feet
Annual Contract Rent
Including Utility Cost: \$42,500.00 @\$6.36/sf
Est. Annual Janitorial Cost: \$ 7,350.00 @\$1.10/sf
Total Annual Effective Cost: \$49,850.00 @\$7.46/sf

Current Amount: 6,500 Square Feet
Annual Contract Rent \$16,500.00 @\$2.54/sf
Est. Annual Utility Cost: \$ 9,100.00 @\$1.40/sf
Est. Annual Janitorial Cost: \$ 7,150.00 @\$1.10/sf
Total Annual Effective Cost: \$32,750.00 @\$5.04/sf

Type: New Lease – Advertisement – Second Lowest of (6) Proposals from (3) Proposers

Lessor: Forcum Lannom, Inc.

Comment: The proposed lease provides office and training space requirements and Lessor will make improvements at no additional cost to the State.

The current location is leased from the Dyersburg State Foundation. The College recently purchased the building for transition space during the Library and Learning Resource Center Addition and Renovation project. The College will need all the space in this building and requested that the NTWB relocate.

SSC Report: 12-13-04. Charles Garrett summarized the transaction. Jerry Preston advised that the lowest and second lowest proposals did not meet the minimums requirements contained in the request for proposals. The third proposal is recommended and provides the Lessor will build-out the space to meet the requirements requested. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 1415 Murfreesboro Road, Nashville, TN**

Purpose: To provide additional office and related space for the administrative staff of the Regents On-Line Degree Program (RODP).

Term: February 1, 2005 thru June 30, 2006 (1 yr. 5 mos.)

Proposed Amount: 43,606 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$434,965.86 @\$9.98/sf
Total Annual Effective Cost: \$434,965.86 @\$9.98/sf

Current Amount: 39,695 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$396,042.72 @\$9.98/sf
Total Annual Effective Cost: \$396,042.72 @\$9.98/sf

Type: Amendment No. 2 – 3,911 Additional Office Space

Lessor: Genesco, Inc., Current Lessor

SSC Report: 12-13-04. Charles Garrett summarized the transaction. Jerry Preston stated the RODP needs the additional space to accommodate new staff and storage/legal needs. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

E.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Blount County – 318-320 & 306 Home Avenue, Maryville, TN – Trans. No. 04-04-916 (JS)**

Purpose: To provide office and related space for Driver License Issuance and TN Highway Patrol operations.

Term: March 1, 2005 thru February 28, 2015 (10 yrs)

Proposed Amount: 5,590 Square Feet

Annual Contract Rent:	\$57,000.00	@\$10.20/sf
Est. Annual Utility Cost:	\$ 7,826.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,149.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$70,975.00	@\$12.70/sf

Current Amount: 3,182 Square Feet

Annual Contract Rent:	\$30,500.04	@\$ 9.59/sf
Est. Annual Utility Cost:	\$ 4,461.80	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,500.20</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$38,455.04	@\$12.09/sf

Type: New Lease – Advertisement – Lowest and Only Proposal from (1) Proposer

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: A & B Partnership, Current Lessor

Comment: The proposed lease provides (1) the Lessor shall make interior improvements to the proposed space at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 11-15-04. Bob King deferred the proposed transaction pending the agency's review of the recommendation.

SSC Report: 12-18-04. Bob King summarized the transaction. Agency. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 3763 Nolensville Road, Nashville, TN – Trans. No. 04-08-915 (JS)**

Purpose: To provide office and related space for local operations of the Nashville South Career Center.

Term: March 1, 2005 thru February 28, 2015 (10 yrs.)

Proposed Amount: 6,000 Square Feet

Avg. Annual Contract Rent:	\$58,625.00	@ \$ 9.77/sf
Est. Annual Utility Cost:	\$ 8,400.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@ \$ 1.10/sf</u>
Avg. Annual Effective Cost:	\$73,625.00	@ \$12.27/sf

Current Amount: 6,000 Square Feet

Annual Contract Rent:	\$54,745.56	@ \$ 9.12/sf
Est. Annual Utility Cost:	\$ 8,400.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,600.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$69,745.56	@ \$11.62/sf

Type: New Lease – Advertisement – Negotiated Proposal from the Only Proposer

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant Complex

Lessor: Allied Partners, Current Lessor

Comment: The proposed lease provides (1) the Lessor will make improvements at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 12-18-04. Bob King summarized the transaction. Agency. Staff referred to Sub-committee for consent agenda subject to Commissioner of Finance and Administration approval of the negotiated proposal and lease agreement.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

G.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Obion County – 1604 Reelfoot Ave., Union City, TN – Trans. No. 04-03-901 (TH)**

Purpose: To provide office and related space for the Northwest Community Service Agency

Term: May 1, 2005 thru April 30, 2006 (1 yr.)

Proposed Amount:	<u>8,694 Square Feet</u>		
	Annual Contract Rent:	\$ 81,288.96	@ \$ 9.35/sf
	Est. Annual Utility Cost:	\$ 12,171.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	\$ 9,563.40	@ \$ 1.10/sf
	Total Annual Effective Cost:	\$103,023.96	@ \$11.85/sf

Current Amount:	<u>8,694 Square Feet</u>		
	Annual Contract Rent:	\$ 81,288.96	@ \$ 9.35/sf
	Est. Annual Utility Cost:	\$ 12,171.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	\$ 9,563.40	@ \$ 1.10/sf
	Total Annual Effective Cost:	\$103,023.96	@ \$11.85/sf

Type: Renewal – Negotiated

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: Bob Hunt, Current Lessor

Comment: Proposed lease provides for no cancellation during the lease term except for cause and/or lack of funding. The proposed negotiated lease will provide the department the necessary time to assess the space needs for the Northwest Community Service Agency.

SSC Report: 10-18-04. Bob King summarized the transaction. Jim Gordon, agency representative, stated that the Department will review and assess the space needs of all Community Service Agencies. He stated the proposed transaction and others are under the same circumstance as the subject transaction. After further discussion, staff deferred the proposed transaction and recommended that the agency return and deal with all locations that have time as issues of concern.

SSC Report: 12-13-04. Bob King summarized the transaction. Jim Gordon, agency representative, is requesting the proposed one-year lease agreement to allow the department the time necessary to evaluate future space requirements. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hamilton County – 1304 McCallie Avenue, Chattanooga, TN – Trans. No. 98-08-911 (RS)**

Purpose: To provide office and related space for the Hamilton County Community Service Agency

Term: January 1, 2005 thru December 31, 2005 (1 yr.)

Proposed Amount: **10,000 Square Feet**

Annual Contract Rent:	\$61,008.00	@\$6.10/sf
Est. Annual Utility Cost:	\$11,000.00	@\$1.10/sf
Est. Annual Janitorial Cost:	<u>\$11,000.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$83,008.00	@\$8.30/sf

Current Amount: **10,000 SQUARE FEET**

Annual Contract Rent:	\$61,008.00	@\$6.10/sf
Est. Annual Utility Cost:	\$11,000.00	@\$1.10/sf
Est. Annual Janitorial Cost:	<u>\$11,000.00</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$83,008.00	@\$8.30/sf

Type: Renewal – Negotiated

FRF Rate: \$16.00 Per Square Foot

Purchase Option: None

Lessor: Nickey A. Bowman, Current Lessor

Comment: The proposed negotiated lease will allow the department the necessary time to assess the space needs for the Hamilton County Community Service Agency (CSA). Lessor will provide water and sewer utilities.

SSC Report: 12-13-04. Bob King summarized the transaction. Jim Gordon, agency representative, is requesting the proposed one-year lease agreement to allow the department the time necessary to evaluate future space requirements. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Putnam County – 417 East Broad Street, Cookeville, TN – Trans. No. 97-10-910 (RS)**

Purpose: To provide office and related space for the Upper Cumberland Community Service Agency

Term: December 1, 2004 thru November 30, 2005 (1 yr.)

Proposed Amount: 9,900 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$85,950.00 @\$8.68/sf
Total Annual Effective Cost: \$85,950.00 @\$8.68/sf

Current Amount: 9,900 Square Feet
Annual Contract Rent
Incl. Utility & Janitorial Cost: \$85,950.00 @\$8.68/sf
Total Annual Effective Cost: \$85,950.00 @\$8.68/sf

Type: Renewal – Negotiated

FRF Rate: \$13.00 Per Square Foot

Purchase Option: None

Lessor: Fountain Court Properties, Inc.

Comment: The proposed negotiated lease will allow the department the necessary time to assess the space needs for the Upper Cumberland Community Service Agency (CSA).

SSC Report: 12-13-04. Bob King summarized the transaction. Jim Gordon, agency representative, is requesting the proposed one-year lease agreement to allow the department the time necessary to evaluate future space requirements. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Coffee County – 901 McMinnville Highway, Manchester, TN – Trans. No. 04-01-912 (RS)**

Purpose: To provide office and related space for county operations.

Term: December 1, 2005 thru November 30, 2010 (5 yrs.)

Proposed Amount: 6,770 Square Feet

Annual Contract Rent:	\$59,400.00	@ \$ 8.77/sf
Est. Annual Utility Cost:	\$ 9,478.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 7,447.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$76,325.00</u>	<u>@ \$11.27/sf</u>

Current Amount: 6,770 Square Feet

Annual Contract Rent:	\$49,900.00	7.37/sf
Est. Annual Utility Cost:	\$ 9,478.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 7,447.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	<u>\$66,825.00</u>	<u>@ \$ 9.87/sf</u>

Type: New Lease – Advertisement – Lowest and Only Proposal from (1) Proposer

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years (1) thru (5)

Lessor: Pedigo-Manchester Properties, LP, Current Lessor

Comment: The proposed lease provides (1) the Lessor will make repairs and tenant alterations at no additional cost to the State, (2) 180 days notice of termination for convenience during the entire lease term, and (3) the State's Option to Purchase.

SSC Report: 12-13-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

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DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hardeman County – 795 Tennessee Street, Bolivar, TN – Trans. No. 04-01-914 (TH)**

Purpose: To provide office and related space for local operations of the Departments of Human Services and Children's Services

Term: October 1, 2005 thru September 30, 2015 (10 yrs)

Proposed Amount: 11,025 Square Feet

Annual Contract Rent:	\$ 99,225.00	@ \$ 9.00/sf
Est. Annual Utility Cost:	\$ 15,435.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 12,127.50</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$126,787.50	@ \$11.50/sf

Current Amount: 5,700 Square Feet

Annual Contract Rent:	\$ 49,900.00	@ \$ 8.75/sf
Est. Annual Utility Cost:	\$ 7,980.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,270.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$ 64,150.00	@ \$11.25/sf

Type: New Lease – Advertisement – Lowest of (7) Conforming Proposals from (5) Proposers -(1) Non-conforming

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years (1) thru (10)

Lessor: David T. And Rebecca L. Deberry – Current Lessor

Comment: The proposed lease provides (1) the Lessor will make interior tenant improvements to the existing lease space and construct an addition of 5,325 square feet to include interior tenant build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter, and (3) the State's Option to Purchase

SSC Report: 12-13-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Henry County – 1.33 +/- Acres - Paris National Guard Armory, Paris, TN – Trans. No. 04-11-011 (LW)</u>
Purpose:	Disposal by Permanent Easement with temporary construction easement to provide for construction of a permanent 16" waterline on armory property. The proposed waterline line will support an industrial area within the area served by the Utility Board
Estimated Sale Price:	Grant – Public Benefit
Grantee:	City of Paris, Paris Board of Public Utilities
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF VETERANS AFFAIRS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and ACQUIRE and ACCEPT as GIFT, with WAIVER of APPRAISAL, required interest in the following real property:

Description: **Knox County – 14.27 +/- Acres – 9910 Coward Mill Road, Knoxville, TN – Trans. No. 04-12-001 (LW)**

Purpose: Acquisition by Gift of unimproved property for construction of the East Tennessee Veterans Home, SBC Project No. 680/000-01-03, approved June 10, 2004.

Source of Funding: Gift

Estimated Cost: Gift

Owner(s): Knox County

SSC Report: 12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT with WIAVER of APPRAISAL, required interest in the following real property:

Description:	<u>Marion County – 7.41 +/- Acres (50' Wide by 6,450' Long) – Adjoining Prentice Cooper State Forest – Trans. No. 04-11-007 (BM)</u>
Purpose:	Acquisition of a Right-of-Way Easement to provide access to Forest property blocked by deep gorges from Forest roads to the northwest part of the forest land that is administered by TN Wildlife Resources Agency.
Source of Funding:	Department's Division of Forestry
Estimated Cost:	Survey and Associated Costs Construct Road Annual Road Maintenance Barrier on State property to restrict access to Owner's property
Owner(s):	Fred A. and Mildred Chalupsky
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	12-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description:	<u>Maury County – 0.011 +/- Acres – Wildlife Management Area – Trans. No. 04-11-010 (CH)</u>
Purpose:	Disposal by Easement to establish an easement over an existing waterline that was in place prior to State's ownership.
Estimated Sale Price:	Grant – Public Benefit
Grantee:	Annie Clark
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	12-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Greene County – 454.8 +/- Acres – Lick Creek – Trans. No. 04-11-009 and 04-12-002 (CH)**

Purpose: Acquisition in Fee for wetland preservation and wildlife management.

Source of Funding: \$964,750.00 – Wetland Acquisition Fund
\$ 45,000.00 – State Bluebird Plate Fund
\$205,000.00 – State Wildlife Grant Fund

Estimated Cost: Fair Market Value

Estimated Value: \$1,214,750.00

Owner(s): Kyle Wills and Omer Renner

SSC Report: 12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL with WAIVER of ADVERTISEMENT, of interest in real property as required by TCA 4-15-102 and 12-2-112:

Description:	<u>Hamilton County – 0.077 +/- Acres – West 20th and Long Street Right-of-Way, Chattanooga, TN – Trans. No. 04-11-016 (LW)</u>
Purpose:	Disposal in Fee of surplus right-of-way to one of two adjoining property owners for parking purposes.
Original Cost to State:	\$10,000.00
Date of Original Conveyance:	1961
Grantor Unto State:	Church of the Living God and The Hasdens
Estimated Sale Price:	Fair Market Value
Grantee:	Highest Bid – David Hoover or VP Blue Chip Realty, Adjoining Property Owners
SSC Report:	12-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	12-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LAND ITEM

Review of a Request to REVISE the PREVIOUS APPROVAL for a DISPOSAL by EASEMENT to a DISPOSAL by LEASE with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA4-15-102 and 12-2-112:

Description:	<u>Davidson County – Access Road – Clover Bottom Development Center – Trans. No. 04-04-010 (CH)</u>
Purpose:	Disposal by Lease for relocation of an access road. An existing lease provides for an access easement and Finance and Administration Legal Counsel advised the previously approved easement to the Grantee be a lease rather than an easement.
Grantee:	Park Center, Operator
SSC Report:	12-13-04. Jurgen Bailey summarized the request. Staff referred to Sub-committee for consent agenda.
SC Action:	12-20-04. Sub-committee approved the transaction as presented. Final action.

Approved by: _____
M. D. Goetz, Jr., Commissioner
Department of Finance and Administration